

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 60-20

May 31, 1960

DISCONTINUANCE OF DENOMINATIONS OF RED STRIP STAMPS

Importers and others concerned:

Purpose. The purpose of this circular is to advise you of the proposed discontinuance of denominational red strip stamps, other than stamps for containers of less than 1/2 pint capacity, and of the designing and printing of a new nondenominational stamp for all bottles of 1/2 pint or greater capacity. This circular also will inform you (1) of the manner of procuring stamps in the future, (2) of the plans for using up existing stocks of stamps, and (3) of the necessary changes in the manner of reporting stamps.

Background. The discontinuance of denominational stamps is expected to result in savings to the Government and in greater flexibility in the use of the stamps by the industry. Such discontinuance is reflected in the revisions of the regulations proposed to be effective July 1, 1960; however, the change was made subsequent to completion of the design of the July 1960 revision of Form 96. Therefore, instructions on the July 1960 revision of Form 96 do not take into account the nondenominational stamps or the need for a report of the number of each size of bottles entered into the United States with stamps affixed or to which stamps are affixed in customs bond.

Procurement and Use of Stamps. In order that the stocks of denominational stamps may be used up, you should continue to requisition stamps on Form 428 by denomination until further advised by this office. As stocks bearing denominations are depleted, the new nondenominational stamps will be issued. You will continue to use red strip stamps of a particular denomination as long as such denomination is furnished to you and until your stock is exhausted or you are instructed to make other disposition of them. However, we expect, sometime after July 1, to make a complete changeover to the new stamp and, at that time, instructions will be issued for the disposition of denominational stamps remaining on hand.

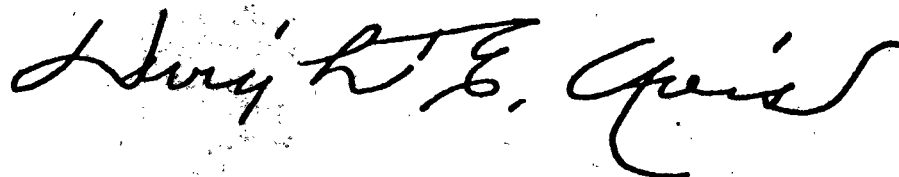
Reporting of Stamps on Form 96. Under the proposed new regulations, Form 96 is prepared annually as of June 30, unless more frequent reporting is required by the collector of customs. The following instructions apply to reports rendered under the new regulations; they do not apply to your report submitted in July for the month of June 1960, which will be prepared as heretofore. Also the instructions do not apply to stamps of less than 1/2 pint denomination. Stamps of less than 1/2 pint denomination will continue to be reported in exactly the same manner as they have been reported in the past.

(a) Form 96, Section I. For the purpose of reporting stamps in Section I of Form 96, you will consider denominational stamps, and the new stamps not bearing denominations, all as "standard size" stamps. All such standard size stamps should be reported in an otherwise unused column, and we prefer that you use the "gallon" column, redesignating it "standard size". Thus, in reporting stamps on hand at the beginning of the period, the sum of the quantities of denominational stamps unaccounted for on the last day of June 1960 will be reported as one total of stamps on hand July 1, 1960, at line 1 in the redesignated column, on your first report under the new regulations. In addition to reporting in that column at lines 5(a) and 5(b) the total of all such stamps for which credit is taken as "used during period", you will report by sizes, under the appropriate denominational heading at lines 5(a) and 5(b), the number of bottles by sizes received from abroad to which stamps were affixed, or the number of bottles, by sizes, to which stamps were affixed in customs bond. The sum of the denominational entries at lines 5(a) and 5(b) (exclusive of the less than 1/2 pint entries), will then equal the entry on the same lines in the column designated "standard size".

In the event you receive gallon bottles you should redesignate another column as the "standard size" column instead of the "gallon" column.

(b) Form 96, Section II. For the purposes of Section II, denominational stamps that remain outstanding will continue to be accounted for by denominations. Nondenominational stamps that remain outstanding shall be accounted for in an unused column redesignated as "standard size".

• Inquiries. Inquiries in regard to this industry circular should refer to its number and be addressed to your assistant regional commissioner (alcohol and tobacco tax).



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